

**REUNERT LIMITED 2019 CONDITIONAL SHARE PLAN: FINAL VERSION**

**REUNERT LIMITED**  
(Registration Number 1913/004355/06)

**2019 CONDITIONAL SHARE PLAN (“CSP”)**

This CSP is to be adopted at an annual general meeting of shareholders of Reunert Limited to be held at Pulse Boardroom, Reunert, Nashua Building, Woodmead North Office Park, 54 Maxwell Drive Woodmead, Johannesburg on Monday, 10 February 2020 at 10:00 a.m. and is available for inspection for at least 14 (fourteen) days prior to the annual general meeting at Reunert’s registered office. [\[LR 14.7\]](#)

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**Chair of the Annual General Meeting**

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## **INTRODUCTION**

Capitalised terms used in these Rules are as defined in Rule 1.

- (A) The Remuneration Committee has approved the terms of this CSP.
- (B) The CSP will provide Eligible Employees of Group Entities with the opportunity to receive Shares through the Award of conditional rights, either in the form of Performance Awards or Retention Awards. The conditional rights do not constitute Shares or Share options.
- (C) The purpose of the CSP is to:
  - (a) create alignment between the interests of shareholders and management;
  - (b) drive performance through a strong link between remuneration, financial and strategic performance and corporate sustainability;
  - (c) attract, incentivise, motivate and retain Executive Directors, top management and high performing candidates in critical roles, including technical specialists with scarce and critical skills, high-potential employment equity candidates and successors for scarce and critical roles;
  - (d) be simple, easy to measure and to understand, both internally and externally; and
  - (e) be aligned to market practice and good corporate governance principles.
- (D) The CSP provides for Performance Awards and Retention Awards. Subject to all other terms and conditions of the CSP:
  - (a) Performance Awards will Vest on satisfaction of the applicable Performance Conditions and the Employment Condition; and

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(b) Retention Awards will Vest on satisfaction of the Employment Condition.

(E) Participants who receive Performance Awards will not, in respect of that financial year, be eligible to receive Retention Awards and *vice versa*.

(F) It is foreseen that the category of Eligible Employees who initially receive Retention Awards may, in subsequent years, receive Performance Awards, as they are promoted to roles that influence the financial and strategic performance of the Group more directly.

(G) Retention Awards will be limited in respect of the number of Participants that receive these Awards and the quantum thereof. Retention Awards will only be made in specific instances where the Remuneration Committee recognises technical specialists, successors for scarce and critical roles and high-potential employment equity candidates with the required skills and abilities to grow the Group's business, while also recognising that the Participants that receive these Awards will have limited direct influence on the Group's financial results.

## INTERPRETATION

### 1. Definitions

Unless otherwise provided for in the Rules or inconsistent with the context, the following words and expressions will have the following meanings, and cognate words and expressions will have a corresponding meaning:

- 1.1 “**Accept**” means the failure to formally reject an Award within the time period specified for such rejection in a Letter of Award, in accordance with Rule 3.2.8, and “**Acceptance**” shall bear a similar meaning;
- 1.2 “**Act**” means the Companies Act No. 71 of 2008;
- 1.3 “**Annexure**” means any of the annexures to these Rules, as amended by the Remuneration Committee in its discretion from time to time;
- 1.4 “**Associate**” means any company or other similar entity in which Reunert owns, directly or indirectly, ordinary shares or securities of that company or entity, and that company or entity is considered to be an associate in terms of IFRS;
- 1.5 “**Audit Committee**” means the audit committee of Reunert, the members of which do not hold any executive office with any Group Entity;
- 1.6 “**Auditors**” means the auditors of Reunert, from time to time;
- 1.7 “**Award**” means the granting of a specified number of Performance Awards or Retention Awards;
- 1.8 “**Award Date**” means the date on which the allocation of Awards are confirmed by the Remuneration Committee (or by a person or persons to whom the authority to confirm such Awards have been delegated by the Remuneration Committee), unless a later date is expressly stipulated;

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- 1.9 “**Award Letter**” means a letter containing the information specified in Rule 3.2;
- 1.10 “**Business Day**” means any day on which the JSE is open for the transaction of business;
- 1.11 “**Capitalisation Issue**” means a capitalisation issue by Reunert in accordance with the provisions of section 47 of the Act;
- 1.12 “**Change of Control**” means where a person (or persons acting together in concert), who did not have Control of Reunert, through a transaction or series of transactions, acquires Control of Reunert;
- 1.13 “**Change of Control Date**” means the date on which the Change of Control of Reunert becomes effective;
- 1.14 “**Clawback**” means the post-Vesting recoupment of the cash value (in full or in part) of any Award, due to the occurrence of a Trigger Event, as determined by the Remuneration Committee, in terms of the provisions of these Rules, read with the Malus and Clawback Principles;
- 1.15 “**Company Official**” means an employee of any Group Entity, designated by that Group Entity to assist in the administration of the CSP, including, in the event that an External Service Provider has been appointed to assist any Group Entity with any aspect of the administration of the CSP, such External Service Provider;
- 1.16 “**Control**” means circumstances, as contemplated in IFRS10, and as validated by the Auditors as and when required, where an investor has all three of the following elements:
- (a) power over Reunert;
  - (b) exposure or rights to variable returns from its involvement with Reunert; and

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(c) the ability to use its power over Reunert to affect the amount of the investor's returns;

1.17 “**Country Schedule**” means, to the extent required, a schedule to these Rules to be adopted as directed by the Remuneration Committee, governing participation in the CSP by Employees employed by Group Entities in jurisdictions other than South Africa;

1.18 “**CSP**” means the Reunert Limited Conditional Share Plan 2019 constituted by these Rules, and where the context requires, the Annexures to these Rules, from time to time;

1.19 “**Date of Termination of Employment**” means the date on which the cessation of permanent employment of a Participant with an Employer Company takes effect, which excludes, for the avoidance of doubt, circumstances where an Employee is to be transferred to another Group Entity where the Employee will again be permanently employed;

1.20 “**Directors**” means the directors of Reunert;

1.21 “**Early Retirement**” means retirement prior to reaching the normal retirement age for the relevant Employer Company;

1.22 “**Eligible Employee**” means any Employee who is eligible to be considered to participate in the CSP, namely Executive Directors, top management and high performing candidates, including technical specialists with scarce and critical skills, high-potential employment equity candidates and successors for scarce and critical roles;

1.23 “**Employee**” means any permanent employee of any Group Entity, but excludes non-executive Directors; [LR 14.1 (a),14.4]

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- 1.24 “**Employer Company**” means a Group Entity which employs an Employee;
- 1.25 “**Employment Condition**” means the condition of continued employment with any Employer Company, including, for the avoidance of doubt, circumstances where an Employee is transferred from one Employer Company to another where the Employee will again be permanently employed;
- 1.26 “**Employment Period**” means, unless expressly provided otherwise, the period commencing at the beginning of the Financial Year during which an Award is made and ending on the Vesting Date, as determined by the Remuneration Committee from time to time, in its discretion, formalised in **Annexure B** - hereto (but which shall not be less than four years), and as specified in the Award Letter (both dates included) during which the Participant is required to fulfil the Employment Condition;
- 1.27 “**Executive Directors**” means the Employees designated as such, who have senior full-time management positions in an Employer Company;
- 1.28 “**External Service Provider**” means any third party service provider appointed by a Group Entity to assist with any aspect of the administration of the CSP;
- 1.29 “**Financial Closed Period**” means closed period as defined in the JSE Listings Requirements, being the period between the end of the Financial Year, or the end of the first half of the Financial Year, up to the publication of financial results;
- 1.30 “**Financial Year**” means the financial year of Reunert, which runs from 1 October to 30 September of each year;
- 1.31 “**Funding Policy**” means the practice between Group Entities, regulating the funding of the Settlement and all other costs and taxes associated with the Settlement of the CSP;

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- 1.32        “**Group**” means all of Reunert, its Subsidiaries and Associates;
- 1.33        “**Group Entity**” means Reunert, or any one of its Subsidiaries or Associates;
- 1.34        “**IFRS**” means the International Financial Reporting Standards issued by the International Accounting Standards Board;
- 1.35        “**JSE**” means the JSE Limited (registration number 2005/022939/06), a public company duly registered and incorporated with limited liability under the company laws of South Africa, licenced as an exchange under the Financial Markets Act, No. 19 of 2012;
- 1.36        “**JSE Listings Requirements**” means the listings requirements of the JSE;
- 1.37        “**Liquidation Date**” means the date on which application for the final liquidation of Reunert is successful;
- 1.38        “**Malus**” means the pre-Vesting forfeiture (in full or in part) of any Award, due to the occurrence of a Trigger Event, as determined by the Remuneration Committee, in terms of the provisions of these Rules, read with the Malus and Clawback Principles;
- 1.39        “**Malus and Clawback Policy**” means the policy, if any, as amended and updated from time to time, which will extend and clarify the Malus and Clawback Principles and governance of Malus and Clawback in the Group, with respect to Employee remuneration, and which, insofar as it applies to any Awards in terms of this CSP, should be read in conjunction with these Rules and will form part of the Malus and Clawback Principles;
- 1.40        “**Malus and Clawback Principles**” means the Malus and Clawback principles as determined by the Remuneration Committee from time to time and in the interest

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of certainty formalised in **Annexure C** - , applicable to all CSP Awards in terms hereof and as extended by the Malus and Clawback Policy from time to time;

1.41 “**Market Value**” means the 20-day volume weighted average price (“**VWAP**”) of a Share on the Business Day immediately preceding the date on which a determination of the Market Value of a Share is to be made for the purposes of these Rules;

1.42 “**Participant**” means an individual who has Accepted an Award, and for as long as that individual, or his/her successor in title as provided for in these Rules (including the appointed executor, representative or curator of an individual’s estate), holds such Award in terms of this CSP, or Shares that were Settled in terms of these Rules, whether that individual or his/her successor in title continues to be an Employee or not; **[LR 14.1 (a)]**

1.43 “**Performance Award**” means a conditional right to Shares, the Vesting of which is subject to the fulfilment of the Employment Condition and the Performance Conditions;

1.44 “**Performance Conditions**” means the performance-related conditions of Vesting, applicable to an Award of Performance Shares determined by the Remuneration Committee, as set out in the Award Letter and in the interest of certainty thereafter formally recorded in **Annexure B** - from time to time, including the Performance Measures, except where the terms “Performance Conditions” and “Performance Measures” are specifically distinguished from each other;

1.45 “**Performance Measures**” means any of the methods applied to determine the extent of Vesting, as formally recorded as such in **Annexure B** - from time to time;

1.46 “**Performance Period**” means the period determined by the Remuneration Committee in respect of which a Performance Condition is to be satisfied, as

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determined by the Remuneration Committee from time to time and thereafter formalised in **Annexure B** - hereto (but subject to the provisions of Rules 5.3 and 5.4), and as set out in the Award Letter, which shall not be less than four years. Unless expressly determined otherwise by the Remuneration Committee, under exceptional circumstances, Performance Periods will commence at the start of a Financial Year and end at the end of a Financial Year. No Performance Period may commence earlier than the Financial Year in which the relevant Performance Award is made;

- 1.47 “**Performance Vesting Percentage**” means the percentage of the Award that will Vest, determined by the extent to which Performance Conditions have been achieved;
- 1.48 “**Prohibited Period**” means prohibited period as defined in the JSE Listings Requirements, which includes the Financial Closed Period;
- 1.49 “**Purchase Programme**” means a programme in accordance with the provisions of the JSE Listings Requirements wherein the dates and quantities of Shares to be traded by the CSP during a Prohibited Period are fixed (not subject to any variation) and which has been submitted to the JSE in writing, with full details having been disclosed in a SENS announcement, prior to the commencement of the relevant Prohibited Period, which will be administered by an independent third party which makes its investment decisions in relation to the Shares independently of, and uninfluenced by, Reunert;
- 1.50 “**Remuneration Committee**” means the remuneration committee of Reunert, the members of which do not hold any executive office within a Group Entity, and who are charged with the governance of the CSP; [LR 14.4, 14.5]

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- 1.51 “**Retention Award**” means a conditional right to Shares, the Vesting of which is subject to the fulfilment of the Employment Condition;
- 1.52 “**Retirement**” means leaving the employ of an Employer Company at the normal age for leaving service as determined by the relevant Employer Company, excluding Early Retirement;
- 1.53 “**Retrenchment**” means the termination of permanent employment of a Participant with any Employer Company for operational requirements as contemplated in the Labour Relations Act No. 66 of 1995;
- 1.54 “**Reunert**” means Reunert Limited (registration number 1913/004355/06), a JSE listed public company registered and incorporated with limited liability under the laws of South Africa;
- 1.55 “**Rights Issue**” means the offer of any securities of Reunert to all ordinary shareholders of Reunert *pro rata* to their holdings at the record date;
- 1.56 “**Rules**” means these rules of the CSP, as amended from time to time, but for purposes of Rule 14.3 excluding the Annexures hereto;
- 1.57 “**Settlement**” means, following the Vesting of Awards, delivery to a Participant of the required number of Shares (or, in exceptional circumstances, cash) in accordance with the Settlement methods stipulated in Rule 10 and “**Settle**” or “**Settled**” shall be construed accordingly;
- 1.58 “**Share**” means an ordinary share in the share capital of Reunert;
- 1.59 “**Subsidiary**” means a company which is a subsidiary of Reunert within the meaning of the Act;

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1.60 “**Trigger Event**” means any event, as set out in the Malus and Clawback Principles, which gives the Remuneration Committee the discretion to apply either Malus or Clawback;

1.61 “**Vest**” means the event which confers on the Participant the unconditional entitlement to Settlement, and “**Vesting**” or “**Vested**” shall be construed accordingly; and

1.62 “**Vesting Date**” means the date on which Vesting occurs, as regulated by Rules 4 or 5.4, as the case may be.

2. **Principles of interpretation**

2.1 The headings in these Rules are inserted for reference purposes only and will in no way govern or affect the interpretation hereof.

2.2 If any provision in a definition is a substantive provision conferring rights or imposing obligations on any party, effect will be given to it as if it were a substantive provision.

2.3 Unless the context indicates otherwise:

(a) derivatives of defined terms will be construed accordingly;

(b) an expression that denotes any gender includes the others;

(c) a natural person includes a created entity (corporate or unincorporated); and

(d) the singular includes the plural, and *vice versa* in each case.

2.4 References in these Rules to any statutory provisions include a reference to those provisions as amended or replaced from time to time and include any regulations made under them.

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- 2.5 Where the CSP refers to the discretion of the Remuneration Committee, such discretion shall be sole, absolute and unrestricted unless the contrary is expressed, provided that if the Remuneration Committee delegates the authority to exercise a discretion, the discretion should be exercised in terms of a Remuneration Committee approved policy.
- 2.6 Any Annexures or other documentation to be applied in conjunction with these Rules will be incorporated in these Rules as if they had been executed as part of the CSP.
- 2.7 Any notices, letters or communications in respect of the CSP may be validly given or conducted by way of electronic communication, including where any provisions of these Rules require that something be done in writing.

**PARTICIPATION**

**3. Making of an Award**

- 3.1 Subject to Rule 7, the Remuneration Committee may, on the recommendation of any Employer Company, grant Performance Awards or Retention Awards to an Eligible Employee.

**Award Letter**

- 3.2 The Award Letter will be in writing and will specify (which, for the avoidance of doubt, may be done by incorporation by reference) the salient terms of the Award, including:
- 3.2.1 the name of the Eligible Employee;
- 3.2.2 the number of either Performance Awards or Retention Awards granted, not exceeding the number as calculated in accordance with the formula

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determined by the Remuneration Committee from time to time and, in the interest of certainty, thereafter formalised in **Annexure A**;

- 3.2.3 the Award Date;
- 3.2.4 the Employment Period;
- 3.2.5 Performance Conditions, if applicable;
- 3.2.6 the Performance Period, if applicable;
- 3.2.7 a stipulation that the Award is subject to the provisions of these Rules, including Malus and Clawback Principles;
- 3.2.8 a provision stating that the Eligible Employee must reject the Award in writing if not Accepted, according to Rule 3.5 and Rule 3.6, and the period within which this must be done; and
- 3.2.9 any other relevant terms and conditions.

3.3 In the event that there is an inconsistency between the information in the Award Letter and the provisions of any Annexure hereto, the information provided in the Award letter, unless manifestly incorrect, shall prevail.

**Awards are non-transferrable**

3.4 An Award is personal to an Employee to whom it is addressed and may only be acted on by such Employee. Awards may not be transferred, ceded, assigned, encumbered or otherwise disposed of by the Employee to any other person.

**Rejection or Acceptance of Awards**

3.5 An Employee must reject an Award in writing within the period and in the format specified in the Award Letter.

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3.6 For the avoidance of doubt, failing rejection of an Award in the manner set out in Rule 3.5, the Award will be deemed to have been Accepted.

3.7 In circumstances deemed appropriate by the Remuneration Committee, an Employee may be required to provide a written Acceptance of the Award in the format prescribed.

**Conditions attaching to Awards**

3.8 The Vesting of Awards will be subject to the satisfaction of:

3.8.1 the Employment Condition over the Employment Period;

3.8.2 if applicable, the Performance Conditions, over the Performance Period; and

3.8.3 if applicable, any further conditions determined by the Remuneration Committee.

**No amount payable on receipt and settlement of an Award**

3.9 A Participant will not be required to give any consideration for the receipt of an Award.

**4. Vesting of Awards**

**Date for Vesting of Awards**

4.1 Subject to Rule 5 and Rule 12, an Award will Vest following the expiry of the Employment Period, on the date upon which the Remuneration Committee has confirmed that the Employment Condition has been met and, if applicable with respect to the relevant Participant, the extent to which the Performance Conditions and/or further conditions have been met, as set out in Rule 9.

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- 4.2 If the Remuneration Committee delegates the authority to confirm the meeting of the Employment Conditions to one or more persons, the date on which that person or those persons make such determination will constitute the date for Vesting, unless a different date is expressly stipulated by the Remuneration Committee, provided that the date for Vesting may not be earlier than the date of the immediately preceding Remuneration Committee meeting.
- 4.3 If, as a result of the operation of Rules 4.1 and 4.2, the date of Vesting falls within a Financial Closed Period for Reunert, then the date of Vesting shall be the first Business Day following the completion of the process contemplated in Rules 4.1 or 4.2, as the case may be, during which Reunert is no longer in a Financial Closed Period.
- 4.4 Where Settlement of Awards for any Participants is prevented due to the provisions of the JSE Listings Requirements or the Financial Markets Act, No. 19 of 2012, then the date of Vesting for the relevant Participant(s) shall be the first Business Day following the completion of the process contemplated in Rules 4.1 or 4.2, as the case may be, during which the prohibition on Settlement no longer applies to that Participant.
- 4.5 Where a waiver in terms of paragraph 3.70 of the JSE Listings Requirements has been obtained in relation to the Vesting and Settlement of an Award in respect of any Participant that requires such waiver, the Awards shall Vest and be Settled in accordance with such waiver and the provisions of Rule 10.12 shall apply. An announcement will be made pursuant to paragraphs 3.63 – 3.74 (dealing in securities) of the JSE Listings Requirements which will include a statement clearly explaining the reasons why the Participants have no discretion to transact.

**Effect of Award Vesting**

4.6 A Participant will become entitled to Settlement of an Award, as contemplated in Rule 10, within a reasonable period following the Vesting Date.

**No amount payable on Vesting of Awards**

4.7 No amount will be payable by a Participant in respect of the Vesting of an Award.

[LR 14.1(d)(i)]

**5. Termination of employment**

[LR14.1 (h)]

**Full Forfeiture Terminations**

5.1 In the event of termination of employment for the reasons listed below, all unvested Awards of the relevant Participant will lapse immediately on the Date of Termination of Employment:

5.1.1 resignation;

5.1.2 dismissal;

5.1.3 abscondment;

5.1.4 mutual separation;

5.1.5 Early Retirement; or

5.1.6 any other reason other than those stated in Rule 5.3.

5.2 A Participant will not be treated as ceasing to be an Employee of an Employer Company if a negotiated transfer has been agreed upon resulting in a Participant being employed by another Employer Company.

### Partial Forfeiture Terminations

5.3 Partial forfeiture terminations include terminations of a Participant's employment which arise as a result of:

5.3.1 death;

5.3.2 ill-health, injury or permanent disability (in each case as certified by a qualified medical practitioner nominated by the Employer Company and accepted by the Remuneration Committee);

5.3.3 separation for exceptional circumstances, not classified as a 'mutual separation' by the Remuneration Committee;

5.3.4 Retirement; or

5.3.5 a Participant's Employer Company ceasing to be a Group Entity or the business of the Employer Company in which he is employed being transferred to a transferee which is not a Group Entity.

5.4 In the event of the termination of employment due to the reasons set out in Rule 5.3 (**except for Retirement**), a *pro-rata* portion of unvested Awards will Vest on the Date of Termination of Employment, or as soon as reasonably possible thereafter, when the Remuneration Committee has been informed by the Company Official of the extent to which the Performance Conditions and/or further conditions, if applicable, have been met. The portion of the Awards that will Vest will be calculated as follows:

5.4.1 **In respect of Performance Awards**, the Company Official, will in accordance with Rule 9.2, calculate whether and the extent to which Performance Conditions and/or further conditions have been satisfied.

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- 5.4.2 The portion of the Awards that will Vest will be determined based on:
- 5.4.2.1 the extent to which the Performance Conditions and/or other conditions have been satisfied, having adjusted the Performance Conditions proportionally to the period of time that has passed since the beginning of the Performance Period to the end of the most recent Financial Year for which published audited financial information exists for the Group, measuring the achievement of these against such latest published audited financial information available for that Financial Year; and
- 5.4.2.2 the number of Awards being determined by dividing the number of completed months served from the beginning of the Performance Period to the Date of Termination of Employment, by the total number of months in the Performance Period as originally stipulated in the Award Letter.
- 5.4.3 **In respect of Retention Awards**, the portion of Award that will Vest will be determined by (and taking account of whether other conditions, if applicable and appropriately adjusted for the shorter measurement period, have been satisfied), dividing the number of completed months served between the Award Date and the Date of Termination of Employment, by the total number of months in the Employment Period as originally stipulated in the Award Letter;
- 5.5 Any Awards that do not Vest in terms of Rule 5.4 will lapse.
- 5.6 For the avoidance of doubt, the process described in Rule 5.4 will be done separately for each Award that was made to a Participant, in the event that the Participant has more than one Award that has not yet Vested.

**Retirement and discretionary vesting terminations**

5.7 In the event of Retirement, a Participant will be entitled to the same rights and obligations in terms of this CSP as if he had continued to be an Employee.

5.8 In the event of Retrenchment, the Remuneration Committee will have a discretion to determine how the Awards will be treated on a case by case basis, and to the extent applicable, how the Performance Conditions and/or other conditions will be tested.

5.9 In applying its discretion referred to in Rule 5.8, the Remuneration Committee will seek to balance the interests of shareholders and Participants to result in a fair outcome to all parties, including taking into account the governance principle that early Vesting should be done on a *pro-rated* basis and must not amount to accelerated Vesting.

**6. Lapse of Awards**

6.1 Awards will lapse on the earliest of any of the dates relating to the lapse or forfeiture of Awards as provided for in these Rules.

**REUNERT'S OBLIGATIONS AND CAPITAL EVENTS**

**7. Implementation of the CSP**

**Time when Awards may be made**

7.1 The Remuneration Committee may, on the recommendation of any Employer Company, make Awards to Eligible Employees:

7.1.1 after the CSP has been approved by shareholders;

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7.1.2 in any applicable Financial Year, no later than at the first Remuneration Committee meeting; and

7.1.3 if such Remuneration Committee meeting falls within an Financial Closed Period, then the Awards will be deemed to be made on the first Business Day following the end of the Financial Closed Period.

7.2 Where a waiver in terms of paragraph 3.70 of the JSE Listings Requirements has been obtained in relation to the making of a particular Award to those Eligible Employees who are affected by a Prohibited Period, a Prohibited Period will not prevent the Remuneration Committee from making such Award. An announcement will be made pursuant to paragraphs 3.63 – 3.74 (dealing in securities) of the JSE Listings Requirements which will include a statement clearly explaining the reasons why the Participants have no discretion to transact.

7.3 If the Remuneration Committee is prohibited from making Awards, in accordance with its normal practice as envisaged in Rule 7.1, pursuant to the JSE Listings Requirements or the Financial Markets Act No.19 of 2012, and to the extent that a waiver in terms of paragraph 3.70 of the JSE Listings Requirements has not been obtained, the Remuneration Committee will make Awards as soon as it is legally able and practically reasonable to do so.

**Basis of Awards**

7.4 With respect to an Award of Performance Awards or Retention Awards, the Employer Companies may from, time to time, nominate Eligible Employees for participation. [\[LR 14.1\(f\)\]](#)

7.5 The Remuneration Committee will have the final authority to decide:

7.5.1 which Eligible Employees will participate in the CSP;

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- 7.5.2 subject to Rule 15 and the Remuneration Committee's policy on the number of Awards as agreed from time to time and formalised in **Annexure A**, the number of Performance Awards or Retention Awards that may comprise an Award to an Eligible Employee, by taking into account the Employee's salary, seniority, individual performance, retention requirements, the ability of the Eligible Employee to influence strategy and operational performance and market benchmarks, as appropriate;
- 7.5.3 the Employment Period;
- 7.5.4 if applicable, the terms of Performance Conditions and/or further conditions;
- 7.5.5 if applicable, the Performance Period;
- 7.5.6 that all Awards will be subject to Malus and Clawback provisions; and
- 7.5.7 all other matters relating to the governance and administration of the CSP.

**Procedure for making Awards**

- 7.6 When the Remuneration Committee approves the number of Awards to be made to each Eligible Employee, the Company Official of the Employer Company of each Eligible Employee who has been approved for participation in the CSP will be notified.
- 7.7 The Company Official will issue an Award Letter to every Eligible Employee who has been approved for participation in the CSP as soon as is practically possible after receiving the Remuneration Committee's notification in terms of Rule 7.6.

8. Setting and review of Performance Conditions

**Setting of the Performance Conditions**

- 8.1 Any Performance Conditions or other conditions imposed by the Remuneration Committee for the Vesting of an Award will be objective, aimed at aligning the interests of shareholders and Participants and set to ensure that there is a strong link between remuneration, financial and strategic performance and corporate sustainability.
- 8.2 The Performance Conditions, which will be determined on an annual basis and may be subject to change from time to time, are annexed hereto as **Annexure B** - and will be set out in, or attached in the form of a schedule to, the Award Letter.
- 8.3 For the avoidance of doubt, the Performance Conditions will be based on reported financial information and will be measured in respect of the consolidated Group results (and not only on the results of Reunert).
- 8.4 Should an event occur at any point during the Performance Period which causes the Remuneration Committee to consider that the Performance Measures which form part of the Performance Conditions, or further conditions, have become materially inappropriate in circumstances that were not reasonably foreseeable at the time that an Award was made, the Remuneration Committee may, in such exceptional circumstances, substitute or vary such Performance Measures of the Performance Conditions, or such further conditions in such manner as:
- 8.4.1 is reasonable in the circumstances;
- 8.4.2 continues to drive strong and sustainable performance for the Group;
- 8.4.3 continues to align the interests of Participants and the interests of other shareholders in Reunert; and

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8.4.4 produces a fairer measure of performance that is not materially less or materially more difficult to satisfy than was envisaged when the original Performance Conditions were determined.

8.5 The Award will then take effect subject to the Performance Measures of the Performance Conditions, or further conditions, as so substituted or varied and communicated to the Participants.

8.6 For the avoidance of doubt, Rule 8.4 is not intended to and does not allow the Remuneration Committee to re-base the Performance Conditions or take any action akin thereto in circumstances where the **operational performance** of the Group or any Group Entity has the result that Performance Conditions are not met or it becomes apparent that the Performance Conditions will not be met.

**9. Review of Performance Conditions**

9.1 For an Award which is subject to Performance Conditions or further conditions:

9.1.1 As contemplated in Rule 4, after the end of the Performance Period in relation to an Award, the Remuneration Committee will review the Performance Conditions or further conditions.

9.1.2 If the Remuneration Committee is satisfied that the Performance Conditions or further conditions have been fulfilled, the Remuneration Committee will calculate the number of Awards that will Vest for each Participant and the appointed Company Official will notify each Participant of the number of Awards that will Vest in respect of that Participant.

9.1.3 To the extent that the Remuneration Committee is satisfied that the Performance Conditions or further conditions have not been fulfilled, the Awards will not Vest and will lapse immediately.

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9.2 In the event that the extent to which Performance Conditions or further conditions have been met is to be reviewed prior to the end of the Performance Period, as envisaged in Rule 12, the Remuneration Committee will, depending on the nature of the Performance Conditions and further conditions, review and determine whether, and the extent to which the Performance Conditions and further conditions have been satisfied, with reference to the results reported in the consolidated financial statements of the Group in respect of Reunert's immediately preceding Financial Year end.

10. **Settlement**

10.1 Following the Vesting of Awards, Reunert or the relevant Employer Company will, as soon as is practicable, procure Settlement in respect of the Vested Awards to the Participants in accordance with the Settlement methods described in Rule 10.3.

10.2 Subject to Rule 5 and 12, the number of Shares to be Settled will be equal to the number of Vested Awards, calculated as follows in respect of Performance Awards:

*Shares = the number of Awards granted x Performance Vesting Percentage x the extent to which other conditions have been met (if any)*

10.3 Subject to Rule 5 and 12, the number of Shares to be Settled will be equal to the number of Vested Awards, calculated as follows in respect of Retention Awards:

*Shares = the number of Awards granted x the extent to which other conditions have been met (if any)*

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- 10.4 As directed by the Remuneration Committee, in consultation with the Audit Committee if required, Settlement of Vested Awards may be undertaken in any of the following manners:
- 10.4.1 transfer of Shares, including through a market purchase thereof, for registration in the names of the Participants;
- 10.4.2 issue of Shares by Reunert, or the use of treasury shares, for registration in the names of the Participants; or
- 10.4.3 Settlement of the Awards by the payment of an equivalent cash amount, should it not be practical or possible to Settle the Awards in Shares. However, this will not be standard practice and it is the intention of Reunert to account for the CSP as an equity-settled plan in terms of IFRS 2. [LR 14.9(c)]
- 10.5 Where Reunert or another Group Entity incurs costs, taxes or other expenses in the Settlement of Shares, whether in the form of cash contributions or otherwise, Reunert or the other Group Entity will charge such costs, taxes or other expenses in terms of the Funding Policy to the relevant Employer Companies where the relevant Participants are employed.
- 10.6 Participants shall not be required to pay any consideration or costs directly associated with the Settlement of an Award, but any costs or taxes arising after the date of Settlement shall be for the Participant's own account.
- 10.7 Participants shall be required to pay any personal taxes, such as income tax or capital gains tax, as the case may be, relating to the Settlement of Shares.

**Rights of Participants in respect of Settled Shares**

- 10.8 Participants will be entitled to all shareholder rights in respect of the Shares received on Settlement as of the Settlement Date and such Shares will rank *pari passu* with Shares in issue. [LR 14.1(e)]

**Purchase of Shares for purposes of the CSP during a Prohibited Period**

- 10.9 Subject to the JSE Listings Requirements relating to the purchase or acquisition of Shares intended for use in the Settlement of the obligations in terms of this CSP, Shares may not be purchased during a Prohibited Period unless a Purchase Programme is in place. [LR 14.9(e)]
- 10.10 In the event that Shares are purchased during a Prohibited Period in accordance with the provisions of a Purchase Programme, an announcement will be made pursuant to paragraphs 3.63 – 3.74 (dealing in securities) of the JSE Listings Requirements, which will include a statement confirming that the purchase was put in place pursuant to a Purchase Programme. [LR 14.9(f)]
- 10.11 Where no Purchase Programme is in place, no Shares may be purchased or repurchased for purposes of the CSP during a Prohibited Period.
- 10.12 In the event of Settlement of an Award in respect of any Participant which is for any reason, including the provisions of the Financial Markets Act, No. 19 of 2012, prevented or prohibited from making an election in respect of the manner in which the Participant's tax obligations shall be settled, Reunert, or any relevant Group Entity or Employer Company shall procure, in accordance with applicable laws and/or regulations, that the Shares Settled on the Participant be sold to the extent required to pay the Participant's personal tax liability on his/her behalf.

11. **Malus and Clawback**

- 11.1 Reunert and the Employer Companies reserve the right to enforce all available rights and legal remedies at its disposal in any circumstance which would, in the discretion of the Remuneration Committee, warrant the reduction or recoupment of a Participant's entitlements in terms of, or Shares received as a result of, this CSP.
- 11.2 Subject to Rule 11.1, and notwithstanding any other provision of the Rules, should Reunert discover the occurrence of a Trigger Event as set out in **Annexure C** - , at any time before the Vesting of an Award, the Remuneration Committee may in its discretion, reduce an Award previously made, in whole or in part (including, for the avoidance of doubt, to nil), in accordance with the Malus and Clawback Principles.
- 11.3 Whenever a reduction is made, the relevant Award or portion thereof, as relevant, will be treated as having immediately lapsed.
- 11.4 Notwithstanding any other provision of the Rules, should Reunert discover the occurrence of a Trigger Event as set out in **Annexure C** - , any time after the Vesting of an Award, the Remuneration Committee may in its discretion, recoup the cash value of the Award in whole or in part in accordance with the Malus and Clawback Principles.
- 11.5 The potential application of Clawback in terms of Rule 11.4 will not delay the Participant's obligation to pay tax upon the Vesting of an Award.

12. **Change of Control**

**Discretion of the Remuneration Committee to allow early Vesting of Awards**

- 12.1 Subject to Rule 12.7, where there is a Change of Control of Reunert before the Vesting Date, a proportion of an Award will Vest, unless otherwise determined by the Remuneration Committee to be appropriate in the circumstances. Rule 12.7 does not give the Remuneration Committee discretion to apply full, accelerated Vesting to any Award.
- 12.2 The proportion of an Award that will Vest will be determined by the Remuneration Committee in its discretion, taking into account such factors as it may consider relevant, including, but not limited to, fairness, the time the Award has been held by the Participant and having regard to any Performance Conditions or further conditions imposed under Rule 8.
- 12.3 To the extent that Vesting of an Award has been reduced by the Remuneration Committee in terms of Rules 12.1 and 12.2 to reflect the period of time that the Award has been held by the Participant, the Remuneration Committee may determine that Rule 12.7 will apply to the proportion of the Award reflecting such reduction which has not Vested. [LR14.1(g)]

**Winding-up of Reunert**

- 12.4 If notice is given of a resolution for the voluntary winding-up of Reunert, a proportion of Awards will Vest on the date notice is given.
- 12.5 The proportion of the Award which will Vest will be determined in accordance with Rule 12.2 and the proportion of the Award that does not Vest will lapse.

**Notification to Participants**

- 12.6 The Remuneration Committee will, as soon as reasonably practicable, through the Company Official, notify each Participant of the occurrence of an event giving rise to a Change of Control or the Voluntary Winding-up and explain how this affects the Participant's position under the CSP.

**Continuation, exchange or conversion of Awards**

- 12.7 The proportion of the Award that does not Vest on the Change of Control Date will (except on the termination of the CSP as a result of the Change of Control, in which case it will lapse) continue to be subject to the terms of the Award Letter relating thereto, unless the Remuneration Committee determines that the terms of the Award Letter relating thereto are no longer appropriate.
- 12.8 In such a case, the Remuneration Committee will make such adjustment to the number of Awards, or exchange or convert Awards into new awards in respect of shares in one or more other companies, provided the Participants are no worse off.
- 12.9 Where applicable, the Remuneration Committee may also vary the Performance Conditions in accordance with Rule 8.4. [\[LR 14.3\(a\)\]](#)

**Other events that do not result in a Change of Control**

- 12.10 Subject to Rule 13, if any other event happens which may affect the Awards, including the Shares ceasing to be listed on the JSE or if there is an internal reconstruction or other event which does not result in a Change of Control, the Award held by a Participant will not Vest as a consequence of that event and will continue to be governed by the Rules.

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- 12.11 However, the Remuneration Committee may take such action as it considers appropriate to protect the interests of Participants following the occurrence of such event, including exchanging or converting Awards into awards in respect of shares in one or more other companies, provided the Participant is no worse off.
- 12.12 Where applicable, the Remuneration Committee may also vary the Performance Conditions relating to Performance Awards in accordance with Rule 8.3.

**13. Variation in Share Capital**

- 13.1 A “Variation in Share Capital” includes the following: [LR 14.3(b)]
- 13.1.1 Capitalisation Issue; or
- 13.1.2 A Rights Issue; or
- 13.1.3 a subdivision of Shares; or
- 13.1.4 a consolidation of Shares; or
- 13.1.5 Reunert making distributions, including a reduction of capital, a special dividend and distribution in specie, other than a dividend paid in the ordinary course of business.
- 13.2 In the event of a Variation in Share Capital, Participants will continue to participate in the CSP. The Remuneration Committee will make such adjustment to the number of unvested Awards or take such other action which would result in the Participant’s Award representing an equivalent proportion of the equity capital of Reunert as that which it represented prior to the occurrence of the relevant event.
- 13.3 The issue of Shares as consideration for an acquisition, issues of Shares for cash, and the issue of Shares for a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to Awards. [LR 14.3(c)]

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- 13.4 The Remuneration Committee will, as soon as reasonably practical, through the Company Official, notify the Participants of any adjustments which are made under Rule 13.2 and will further comply with Rules 15.6 to 15.10. Where necessary, in respect of any such adjustments, Auditors, or other independent advisors acceptable to the JSE, acting as experts and not as arbitrators and whose decision will be final and binding on all persons affected thereby, will confirm to Reunert in writing that these are calculated on a reasonable and equitable basis. [LR 14.3(d)]
- 13.5 Any adjustments made will be reported in Reunert's annual financial statements for the Financial Year during which the adjustment is made. [LR 14.3(e)]
- 13.6 If Reunert is placed into liquidation for purposes other than a reorganisation or as a result of a Change of Control in accordance with Rule 12, any unvested Awards will lapse from the Liquidation Date. [LR 14.1(e)]

14. **Amendments and termination**

- 14.1 Subject to Rule 14.3, the Remuneration Committee may at any time, alter, vary or add to these terms and conditions, or an adopted Country Schedule, as it thinks fit, including for ease of the administration of the CSP, to comply with or take account of the provisions of any proposed or existing legislation or to obtain or maintain fair taxation or regulatory treatment of Reunert, any Employer Company or any present or future Participant.
- 14.2 Amendments to these terms and conditions may only affect Awards to Participants that have already been made if they are to the advantage of Participants, subject to the JSE Listings Requirements. [LR 14.2]
- 14.3 The provisions relating to: [LR 14.2]
- 14.3.1 Eligible Employees; [LR 14.1(a)]

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- 14.3.2 the number of Shares which may be utilised for the purpose of the CSP as envisaged in Rule 15; [LR 14.1(b)]
- 14.3.3 the limitations on benefits or maximum entitlements; [LR 14.1(c)]
- 14.3.4 the basis upon which Awards are made as stipulated in Rule 3; [LR 14.1(f)]
- 14.3.5 the amount payable upon the Award, Vesting and Settlement;
- 14.3.6 the voting, dividend, transfer and other rights attached to the Awards, including those arising on liquidation of Reunert; [LR 14.1(e)]
- 14.3.7 the treatment of Awards in the event of a Variation in Share Capital and Change of Control of Reunert; and [LR 14.1(g)]
- 14.3.8 the procedure to be adopted in respect of the vesting of an Award in the event of termination of employment as envisaged in Rule 4, [LR 14.1(h)]

in terms of this Rule 14.3, may not be amended without the prior approval by a resolution supported by 75% of the shareholders of Reunert present or by proxy, in general meeting, excluding all the votes attached to all Shares controlled by persons as a result of the Vesting and Settlement of Awards under this CSP who are existing Participants in the CSP and who may be impacted by the changes.

- 14.4 The Remuneration Committee may terminate the CSP at any time, but Awards made before such termination will continue to be valid and as described in the provisions of the CSP.

### **REGULATORY REQUIREMENTS AND LIMITATIONS**

#### 15. **CSP limits**

##### **Overall CSP limit**

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15.1 Subject to Rules 15.6 to 15.10, the aggregate number of Shares at any one time which may be utilised in respect of this CSP will not exceed **9,248 million** (nine million two hundred and forty eight thousand) Shares, which equates to approximately **5%** of the number of issued Shares at the date of finalisation of the Rules. In the event of a discrepancy between the number of Shares and the percentage it represents, the number will prevail. **[LR 14.1(b)]**

15.2 The limit referred to in Rule 15.1 will be calculated to include the following:

15.2.1 Shares held by a Subsidiary in treasury account and which have been utilised in Settlement of this CSP, as contemplated in Rules 10.3; and

15.2.2 The actual number of Shares allotted and issued by Reunert in Settlement of this CSP as contemplated in Rule 10.4.2.

15.3 The limit referred to in Rule 15.1 will exclude the following:

15.3.1 Shares purchased in the market as contemplated in Rule 10.4.1 in Settlement of this CSP; and **[LR 14.9(c)]**

15.3.2 Shares under the CSP which were acquired and held in trust prior to Settlement and which do not subsequently Vest to a Participant as a result of a lapse or forfeiture thereof. Any such Shares must revert to the CSP, such that such number of Shares will not be included in the limit referred to in Rule 15.1. **[LR 14.3(f)]**

**Individual limit**

15.4 The Remuneration Committee will formally approve guidelines from time to time in respect of the maximum Awards per annum, which guidelines are attached hereto as **Annexure A**.

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15.5 Notwithstanding Rule 15.4 and subject to such proportional adjustments as may be made in the circumstances contemplated in Rules 15.6 to 15.10, the maximum number of Shares that may be utilised in respect of any single Participant under this CSP will not exceed **924 750** (nine hundred and twenty four thousand seven hundred and fifty) Shares, which equates to approximately **0,5%** of the number of issued Shares at the date of finalisation of the Rules. **[LR 14.1(c)]**

**Adjustments**

15.6 The Remuneration Committee **must** adjust the number of Shares available for the CSP as stated in Rule 15.1, without the prior approval of shareholders in Reunert, to take account of a sub-division or consolidation of the Shares. Such adjustment should give a Participant the entitlement to receive the same proportion of Shares as he/she was entitled to receive prior to the occurrence of such event. **[LR 14.3(a)]**

15.7 The Remuneration Committee **may** adjust the number of Shares which comprises the individual limit stated in Rule 15.4, without the prior approval of shareholders of Reunert, to take account of a Capitalisation Issue, a dividend *in specie* (other than a dividend paid in the ordinary course of business out of the current year's retained earnings), a Rights Issue, a sub-division of Shares or a reduction in the capital of Reunert. Such adjustment should give a Participant the entitlement to receive the same proportion of Shares as he was entitled to receive prior to the occurrence of such event. **[LR 14.3(b)]**

15.8 The Auditors, or other independent advisor acceptable to the JSE, will confirm to the JSE, in writing that, any such adjustment made in terms of Rule 15.6 and 15.7 has been properly calculated on a reasonable and equitable basis, in accordance with the Rules. Such written confirmation will be provided to the JSE at the time that any such adjustment is finalised. **[LR 14.3(d)]**

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15.9 The issue of Shares as consideration for an acquisition, issue of Shares for cash and the issue of Shares for a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to the limits stated in Rules 15.1 and 15.4. [LR 14.3(c)]

15.10 Any adjustments made in terms of Rule 15.6 and Rule 15.7 will be reported in Reunert's financial statements for the Financial Year during which the adjustment is made. [LR 14.3(e)]

16. **Disclosure in annual financial statements**

16.1 Reunert will disclose in its annual financial statements the number of Shares that may be utilised for purposes of the CSP at the beginning of the Financial Year, and changes in such number during the Financial Year, and the balance of securities available for utilisation for purposes of the CSP at the end of the Financial Year. [LR 14.8]

17. **Shares held in trust**

17.1 To the extent applicable, Shares held in trust may only be sold once the employment of a Participant is terminated or the Participant is deceased, or on behalf of a Participant, once the rights of ownership of the Shares have Vested. [LR 14.9(b)]

18. **Dealing in securities**

18.1 Reunert will ensure compliance with paragraphs 3.63 – 3.74 (dealing in securities) of the JSE Listings Requirements in terms of share dealings by the CSP or the Group Entities relating to the CSP, unless the circumstances contemplated in paragraph 3.92 of the JSE Listings Requirements apply. [LR 14.9(d)]

19. **Share issues outside CSP**

19.1 The issue of shares to employees, which do not fall under the Rules will be treated as a specific issue of Shares for cash as contemplated in paragraph 5.51 of the JSE Listings Requirements. [LR 14.11]

20. **Rolling over**

20.1 Rolling over (including the arrangement assuming that Shares which have already Vested and been Issued to a Participant in terms of this CSP, and which revert back to the number of Shares referred to in Rule 15 after a 10-year period) is prohibited. [LR 14.12]

21. **Back-dating and anti-abuse provisions**

21.1 These Rules do not allow for back-dating of Awards and/or manipulation of the value at which Awards are granted or Vests, which manipulation is prevented by the provisions of:

21.1.1 Rule 1.44, that Performance Conditions may only be determined with reference to the start of the Financial Year in which a relevant Award is made;

21.1.2 Rule 1.8, limiting the discretion of the Remuneration Committee regarding the Award Date; and

21.1.3 Rules 4, 5 and 12, limiting the discretion of the Remuneration Committee regarding Vesting Dates. [LR 14.13]

22. **Share issues and acquisitions**

22.1 Shares will only be issued or purchased once a Participant to whom they will be allocated has been formally identified. [LR 14.9(a)]

**23. Voting rights**

- 23.1 As Awards constitute neither Shares nor options, Participants in the CSP will not be entitled to any shareholder rights until Shares have been Settled. [LR 14.10]
- 23.2 Following the Settlement of Shares and as provided for in Rule 10.8, Participants will have all the rights of ordinary shareholders.
- 23.3 If Shares are held by any Group Entity for purposes of the CSP, such Shares, in accordance with the provisions of the Act and the JSE Listings Requirements, will not have their votes at general or annual general meetings taken into account for the purposes of resolutions proposed in terms of the JSE Listings Requirements. Such Shares will also not be taken into account for purposes of determining categorisations as detailed in section 9 of the JSE Listings Requirements. [LR 14.10]

**ADMINISTRATIVE PROVISIONS**

**24. Further conditions**

- 24.1 In circumstances where the tax and/or regulatory requirements of a particular jurisdiction where a Participant works makes the delivery of Shares impossible or impractical, the Remuneration Committee can direct that the Participant be paid a cash amount *in lieu* of Shares on the Vesting Date. A separate Country Schedule detailing the provisions in respect of such jurisdiction may be adopted in addition to, or instead of, paying a cash amount in lieu of Shares that would have become liable to be delivered to the Participant, which is equivalent to the aggregate Market Value of such Shares on the Vesting Date.

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- 24.2 An Employer Company may withhold any amount required –
- 24.2.1 to meet any costs in respect of the Vesting of Shares for which the Participant is liable; or
- 24.2.2 for employees' tax,
- from the Participant's remuneration or any other amount due by the Employer Company to the Participant.
- 24.3 The Employer Company will delay the making of an Award, Vesting of an Award or Settlement of the Shares, whichever is appropriate, to the Participant if the acquisition or disposal of the Shares would otherwise:
- 24.3.1 occur at a time when there is an ongoing investigation or other procedure being carried out to determine whether the Malus or Clawback Principles may apply, or the Remuneration Committee decides that further investigation is warranted in this regard; or
- 24.3.2 be prohibited by any legislation or regulations which is not specifically provided for in Rules 4, 7 and 10,
- until the expiry of such event, following which the Award, Vesting of an Award or Settlement of the Shares will be done as soon as is practicable.
- 24.4 The rights of Participants under this CSP are determined by these Rules.
- 24.5 Except as otherwise provided in the Rules, the Participant has no right to any compensation, damages or any other sum or benefit by reason of the fact that:
- 24.5.1 he ceased to be a Participant in the CSP; or
- 24.5.2 any of his rights or expectations under this CSP were reduced or lost.

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24.6 Where a Participant is transferred from one Employer Company to another Employer Company:

24.6.1 all Awards made to such Participant by the first Employer Company will remain in force on the same terms and conditions as set out in these Rules; and

24.6.2 the second Employer Company will assume a pro-rata portion of the first Employer Company's obligations in respect of the relevant Awards in consideration for obtaining the Participant's services from the first Employer Company.

25. **Governing law**

25.1 South African law governs the CSP. Reunert, all Employer Companies and Participants submit to the jurisdiction of the South African courts as regards to any matter arising in respect of the CSP.

26. **Notices**

26.1 Any notice or other document given to any Eligible Employee or Participant pursuant to the CSP may be sent to his work or personal email address or delivered by hand to his work or home address according to the records of Reunert, or to such other email address as may appear to the Remuneration Committee to be appropriate. Notices or other documents sent by email will be deemed to have been given or received on the day of sending, unless an automatic reply is received to the contrary, and those delivered by hand will be deemed to have been given or received on the day of delivery.

26.2 Any notice or document given to Reunert or to an Employer Company by a Participant pursuant to the CSP may be sent the email address of the Company

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Official, will be delivered to its registered office marked for the attention of the Company Official, or such other address as may be specified by Reunert and the documents will not be deemed to have been received before actual receipt by the Company Official.

26.3 Notwithstanding anything to the contrary herein contained, a written notice or document which is actually received by a person will be adequate for purposes of this CSP, notwithstanding that such notice or document was not received at that party's stated address for delivery of notices.

27. **Disputes**

27.1 Any disputes arising from or in connection with this CSP will be finally resolved in accordance with the Commercial Rules of the Arbitration Foundation of Southern Africa (or its successor in title) ("**AFSA**") by an arbitrator appointed by AFSA. There will be a right of appeal as provided for in such rules.

27.2 If AFSA no longer exists, then the arbitrator will be appointed by the President for the time being of the Law Society of the Northern Provinces and the arbitration will be conducted in accordance with the Arbitration Act, no. 42 of 1965.

27.3 Notwithstanding anything to the contrary contained in this Rule 27, either party will be entitled to obtain interim relief on an urgent basis from any competent court having jurisdiction.

27.4 For the purposes of this CSP (and, in particular this Rule 27, and also for the purposes of having any award made by the arbitrator being made an order of court), Reunert and each Participant hereby consent and submit to the non-exclusive jurisdiction of the High Court of South Africa, Gauteng Local Division, Johannesburg.

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27.5 This Rule 27 is severable from the rest of this CSP and will remain in full force and effect notwithstanding the termination of this CSP or any declaration of invalidity.

## **ANNEXURES: FOR AWARDS MADE DURING THE FINANCIAL YEAR COMMENCING ON 1 OCTOBER 2019**

### **Annexure A - Award Levels and Calculation of number of Awards**

In line with the recommendations of the King IV™ Report on Corporate Governance for South Africa, 2016 (“**King IV**”) and best practice, the individual Award Levels in respect of this CSP will be determined in accordance with the following guidelines, adopted by the Remuneration Committee from time to time in accordance with Rule 15.4 and in compliance with Rule 15.5 and formalised in this **Annexure A**.

#### **Performance Award Levels**

1. To ensure long-term shareholder value creation, Performance Awards will be made on an annual basis to the Executive Directors and top management.
2. In deserving circumstances, the Remuneration Committee will have discretion to make these Awards to other high performing candidates in critical roles who are below top management.
3. The maximum number of Performance Awards to be granted to these Participants will primarily be based on, inter alia, the Participant’s level of seniority, individual performance, the ability of the Participant to influence strategy and operational performance, but subject to overall affordability considerations.
4. The maximum annual individual Award levels for Performance Awards in terms of this CSP are indicated in the table below:

<b>Participant</b>	<b>Maximum multiple of annual package</b>
Chief Executive Officer	2 x annual package
Chief Financial Officer	1.5 x annual package
Executive Director	1.3 x annual package
Segment Head	1.1 x annual package
Top Management	1 x of annual package
High performing candidates	0.5 x annual package

## ANNEXURES: FOR AWARDS MADE DURING THE FINANCIAL YEAR COMMENCING ON 1 OCTOBER 2019

### Retention Award Levels

5. The Retention Awards will be made in specific instances where the Remuneration Committee feels that it is a critical business requirement that the Participant is retained.
6. Retention Awards will only be made to high-potential employment equity candidates, successors for scarce and critical roles and technical specialists with skills required in Reunert's business. This separate arrangement for retention is in line with King IV, which recommends that any retention policy/Awards should be ring-fenced and disclosed separately.
7. The maximum annual individual Award levels for Retention Awards are indicated in the table below:

<b>Participants</b>	<b>Maximum multiple of annual package</b>
Technical specialists with scarce and critical skills, high-potential employment equity candidates and successors for scarce and critical roles.	0.2 x annual package

### Calculation of the number of Awards on Award Date

8. The maximum number of Awards to be made to a Participant on the Award Date in accordance with Rule 3.2.2, shall be calculated with reference to the following formula:

$$A = \frac{B \times C}{D}$$

Where:

**A** = number of the Awards on the Award Date

**B** = annual package

**C** = multiple of annual package

**D** = the Market Value of a Share on the Award Date

**ANNEXURES: FOR AWARDS MADE DURING THE FINANCIAL YEAR COMMENCING ON 1 OCTOBER 2019**

**Annexure B - Guidelines for determining Employment Conditions and Performance**

**Conditions**

The Employment Conditions and the Performance Conditions in respect of this CSP will be determined in accordance with the following guidelines, adopted by the Remuneration Committee from time to time in accordance with Rules 3.8 and 8 and formalised in this **Annexure B - .**

The Remuneration Committee will set appropriate Performance Conditions and Performance Periods, as relevant, for each Performance Award, taking into account the business environment at the time of making the Awards.

**In respect of the Awards to be made in respect of the Financial Year commencing on 1 October 2019:**

**Award Vesting Periods**

1. The Performance Period and Employment Period for Performance Awards shall be four years.
2. The Employment Period for Retention Awards shall be four years for 50% of the Award made in respect of any Financial Year and five years for the balance of such Awards.

**Performance Criteria**

3. The Performance Awards will be subject to the following Performance Conditions.

<b>Performance Condition</b>	<b>Weighting</b>	<b>Performance Level</b>	<b>Performance Measure</b>	<b>Vesting %</b>
Normalised Headline earnings per	50%	Threshold	NHEPS < Consumer Price Index as published by Statistics South Africa (CPI)	0%

**ANNEXURES: FOR AWARDS MADE DURING THE FINANCIAL YEAR COMMENCING ON 1 OCTOBER 2019**

share (NHEPS)		Target	NHEPS = CPI+South African Gross Domestic Product (GDP) +1,5 percentage points	40%
		Stretch	NHEPS = CPI+GDP+ 3 percentage points	100%
Return on Capital Employed (ROCE)	25%	Threshold	ROCE < 16%	0%
		Target	ROCE = 16,5%	40%
		Stretch	ROCE = 19,5%	100%
Relative Total Shareholder Return (TSR)	25%	Threshold	Ranking position at median and below	0%
		Target	Ranking position 6 of 13 TSR constituents	25%
		Stretch	Ranking position 3 of 13 TSR constituents	100%
		Super Stretch	Ranking position 1 of 13 TSR constituents	120%

4. The relative TSR performance condition will be measured against the “peer group” shown in the table below using a “weighted TSR index methodology” and applying a ranking approach to determine the vesting outcome.

No.	Relative TSR Peer Group
1	African Oxygen Limited (Afrox)
2	Allied Electronics Corporation Limited (Altron).
3	ARB Holdings Ltd
4	Barloworld Ltd
5	Bidvest Group (Bidvest) Ltd
6	Alviva Holdings Ltd

**ANNEXURES: FOR AWARDS MADE DURING THE FINANCIAL YEAR COMMENCING ON 1 OCTOBER 2019**

7	Hudaco Industries Ltd
8	Kap Industrial Holdings Ltd
9	Mustek Ltd
10	Super Group Ltd
11	Adapt It Holdings Ltd
12	Enx Group Ltd

5. With respect to the tables in this Annexure, in the event that any member or members of the Relative TSR Peer Group delists, is liquidated, is subject to a material merger or acquisition transaction or for some other reason ceases to be appropriate for inclusion in the Relative TSR Peer Group during the course of a Performance Period relating to any Award, the Remuneration Committee shall make such adjustments to Relative TSR Peer Group and the associated Performance Measures and Vesting Percentage as are appropriate and fair under the circumstances to ensure that the overall performance required to achieve a particular level of vesting is comparable to the performance envisaged when the relevant Award was first made.
6. There will be 0% vesting for the applicable Performance Condition if the performance for that condition is at or below threshold. Linear interpolation will be applied for the performance between performance levels.

**Annexure C - Malus and Clawback Principles application to the CSP**

1. In accordance with Rule 11, the Awards made in terms of these Rules are subject to the Malus and Clawback Principles (and for the avoidance of doubt, the provisions of the Group's Malus and Clawback Policy). In ensuring that remuneration outcomes are fair, appropriate and reflect business performance, the Remuneration Committee may in its discretion:
  - a. adjust unvested and/or unsettled Awards downward (to nil if required) or cancel unvested and/or unsettled Awards through Malus; or
  - b. pursue remedies to recoup the cash value of any vested and/or settled Awards through Clawback.
  
2. The Remuneration Committee may invoke Malus and/or Clawback on the discovery of, but not limited to, the following Trigger Events:
  - a. a material misstatement of the financial results resulting in an adjustment in the audited consolidated accounts of Reunert or the financial statements of any Group Entity;
  - b. the fact that any information used to determine the granting and/or quantum of an Award was wrong, inaccurate or misleading;
  - c. an act or omission of a Participant which, in the reasonable opinion of the Remuneration Committee, amounts to serious misconduct; or
  - d. an event or behaviour involving, or attributable to, a Participant (and, for the avoidance of doubt any previous Participant who has received an Award in the past and has received any Shares or cash as a result of such past Award)

**ANNEXURES: FOR AWARDS MADE DURING THE FINANCIAL YEAR COMMENCING ON 1 OCTOBER 2019**

which have led or may reasonably lead to censure under laws, regulations or rules of any stock exchange or other applicable regulatory authority applicable to any Group Entity.

3. Reunert and all of the Group Entities reserve the right to enforce all available legal remedies at its disposal in any circumstance which would, in the discretion of the Remuneration Committee, warrant the reduction or recoupment of a Participant's entitlements in terms of this CSP. Any such available legal remedies will not be curtailed by the provision of Malus and Clawback Principles in these Rules, or the content of the Malus and Clawback Policy.